



Health and Human Services Appropriations Subcommittee

February 5, 2009

Thank you for the honor of speaking with you today. My name is Robert Talbot and I grew up in Iowa, but completed college in Indiana. While in Indiana I also began a career in non profit children's services, leading a medium sized non profit and providing consulting services for non profits that focus on Children's programs across the USA.

In 2007 I accepted the invitation to come and lead **Quakerdale** here in Iowa starting 1-1-08. Quakerdale is a Christian non profit with a 157 year heritage operating 5 campuses across Iowa, and we serve kids from the whole state. Quakerdale operates 3 major types of state contracted programs including Residential Treatment, Emergency Shelter services and many different types of Community based counseling and case management services.

Quakerdale has always worked with the state of Iowa to help kids and families since 1851 and we will continue to partner with the state as long as we can afford to help. I think it is important to say... we are doing some significant private fund raising because the present and future looks bleak for organizations like Quakerdale depending on state funding to exist. Quakerdale has just begun a large fund raising and branding campaign.

This fundraising campaign is to endow a complete residential campus of houses that are already built but being under utilized by the state located in New Providence. These funds will allow **Quakerdale** to operate these homes independent of state funding. When that campus is endowed, we will start raising money for the rest of Quakerdale. Our economic and cultural times require careful and strategic planning if Quakerdale expects to exist providing residential education for children for another 150 years.

Quakerdale has always existed to provide a home for kids who need it, and state funding is going away. I am fully aware that the state's availability of funds and willingness to pay for residential (and all children's services) is limited and will continue to decrease unless this trend changes across our country.

In addition to the limited state funding, the state continues to push our cost of care higher through increased licensing requirements and extensive documentation requirements. Presently at **Quakerdale** we raise money to fund 20% of the services we contract with the state to provide. And if we are able we hope to move from being 80% funded by state funds to being completely privately funded by the year 2020. This goal means that we have a lot of money to raise in the next 10 years!

I also believe the need for the services **Quakerdale** provides will incrementally go up as the state is unable to afford them. Less funding has already forced many non profits serving children to go out of business. Losing these organizations reduces the availability of quality service providers for our children both today and in the future.

However, while we are raising these funds, Quakerdale and many other agencies I represent today need the government funds to help hurting and failing families. We want to team up with the state in our mission to help kids and families.

If successful in our mission, we will help these families become healthy citizens and good tax payers. If we fail, more people will be on welfare or disability, and incarcerations will continue to skyrocket. This failure to help children will cost the tax payers much more over a troubled child's lifetime. Right now each year the Iowa prison population increases over 3% or almost 500 prisoners. An increase of 500 prisoners a year means we will double our prison population every 24 years and every year a 3% increase in prison costs equals over \$60 million.

It is my hope to support the governor's request that the funds that help children like those served by Quakerdale (dollars provided by Child Welfare and Medicaid) are not cut while the state budget is under revision.

I want to remind the Committee that in difficult economic times domestic abuse and family discord increase. Cutting Child Welfare and Medicaid funding for kids as a response to budgetary challenges is comparable to cutting the very feet out from under the state and its future. Children neglected today are going to require significant dollars in legal and social services budgets as these children grow older. We must be proactive in order to avoid the decay of our society and culture. What happens when we have more people on welfare, social security/disability, and in prison than we have tax payers????

Here are some facts to consider:

- Non profits operate much more economically than state operated programs such as the training schools. We receive \$64 dollars a day less than the state training schools, yet we are required to do more intensively supervised therapeutic programs. In spite of this, we still have great outcomes!
- State employed social workers make \$12,000 to \$20,000 a year more in salary than persons employed by non profits.
- Cutting Non profit reimbursements causes us to lose staff, and turnover hinders the success of our program. It is proven that turnover in care workers for a child means a reduction in their progress and improvement. Plus there are the additional costs to the organization for recruiting and training new staff.
- Quakerdale (and others like us) do a lot of pro-bono work for families across the state, and if you reduce the pay we receive we will have fewer services to offer and less staff to do the pro bono work. If the state keeps cutting reimbursement and asking for more costly services we will no longer be available to help individuals and families that might otherwise fall through the cracks.
- This year Quakerdale and organizations like us had a 1% increase in our state funding reimbursement rates, but inflation was 6%. We must find ways to cover the loss of 5% in services reimbursement, and we must find these dollars or take it out of our staff pay because at Quakerdale 75% of our budget is payroll and benefits.
- In a private residential setting the state requires ratios are 1 staff to 5 kids. At the state training schools, the ratio is 1 staff to 20 or more kids according to the state workers I have talked.
- Quakerdale can operate a privately funded residential program for approximately half the cost of operating a state contracted Residential treatment program. We can help 10 kids for \$250,000 a year compared to almost \$600,000 a year for a state contracted program.

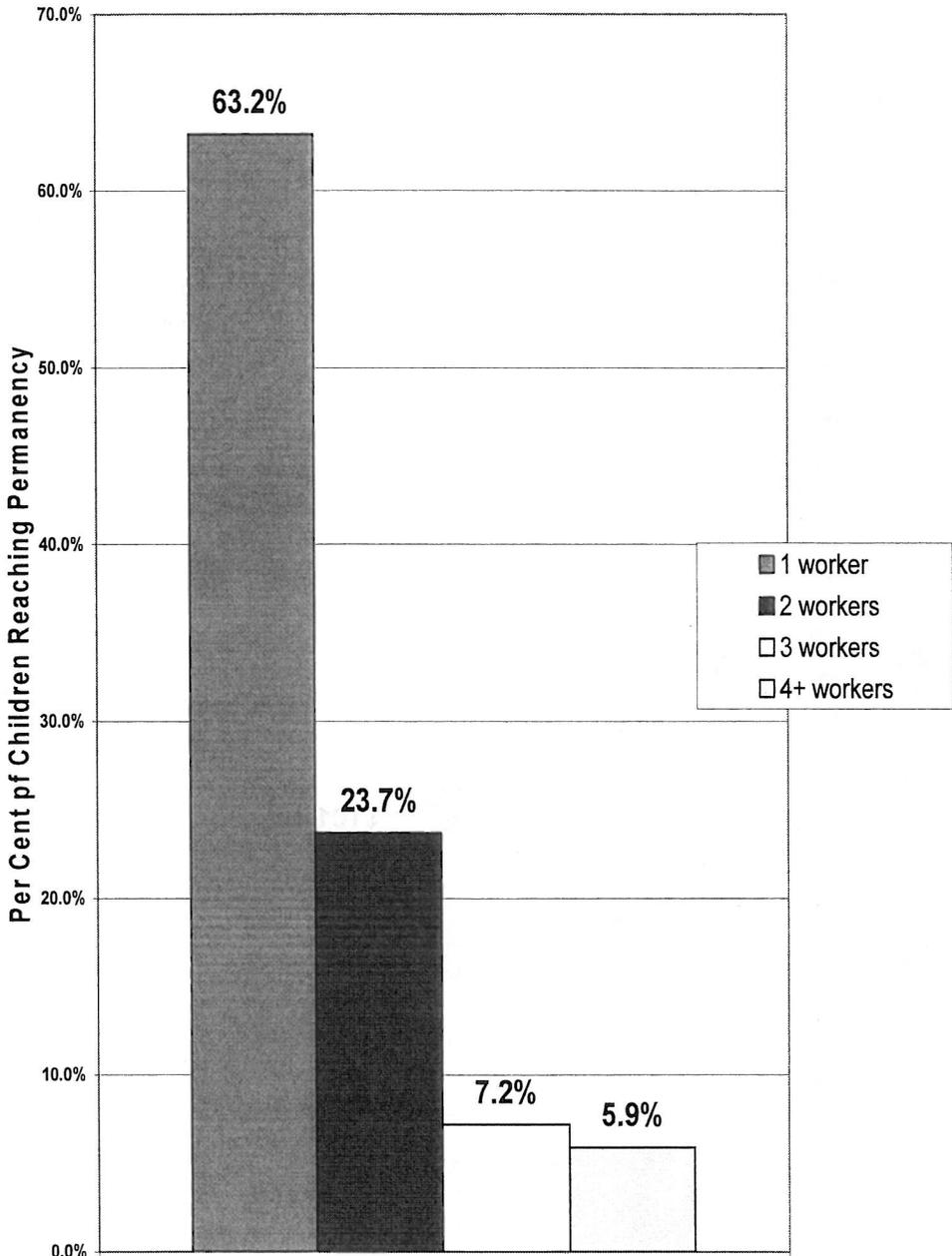
Finally, thank you again for the opportunity to talk about Quakerdale, and the work that we do with the state of Iowa helping kids and families. Our future relationship with the state relies upon your decisions concerning kids and the appropriations of our tax dollars. In this folder you will also find an interesting article from Christian Fong concerning our economic conditions over the long haul in Iowa and I encourage you to give this document consideration as the state makes long term plans for the state of Iowa.

Sincerely,

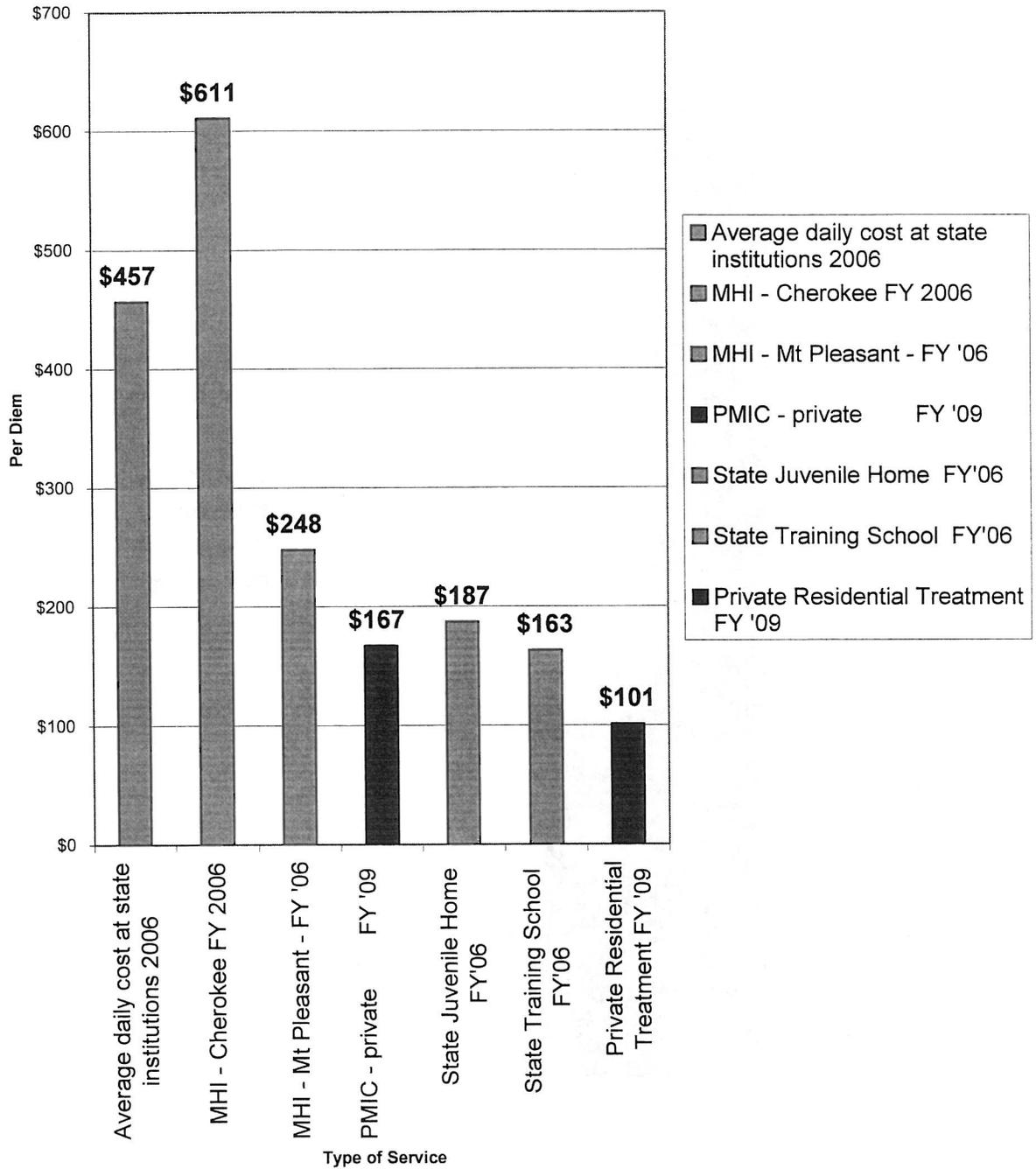


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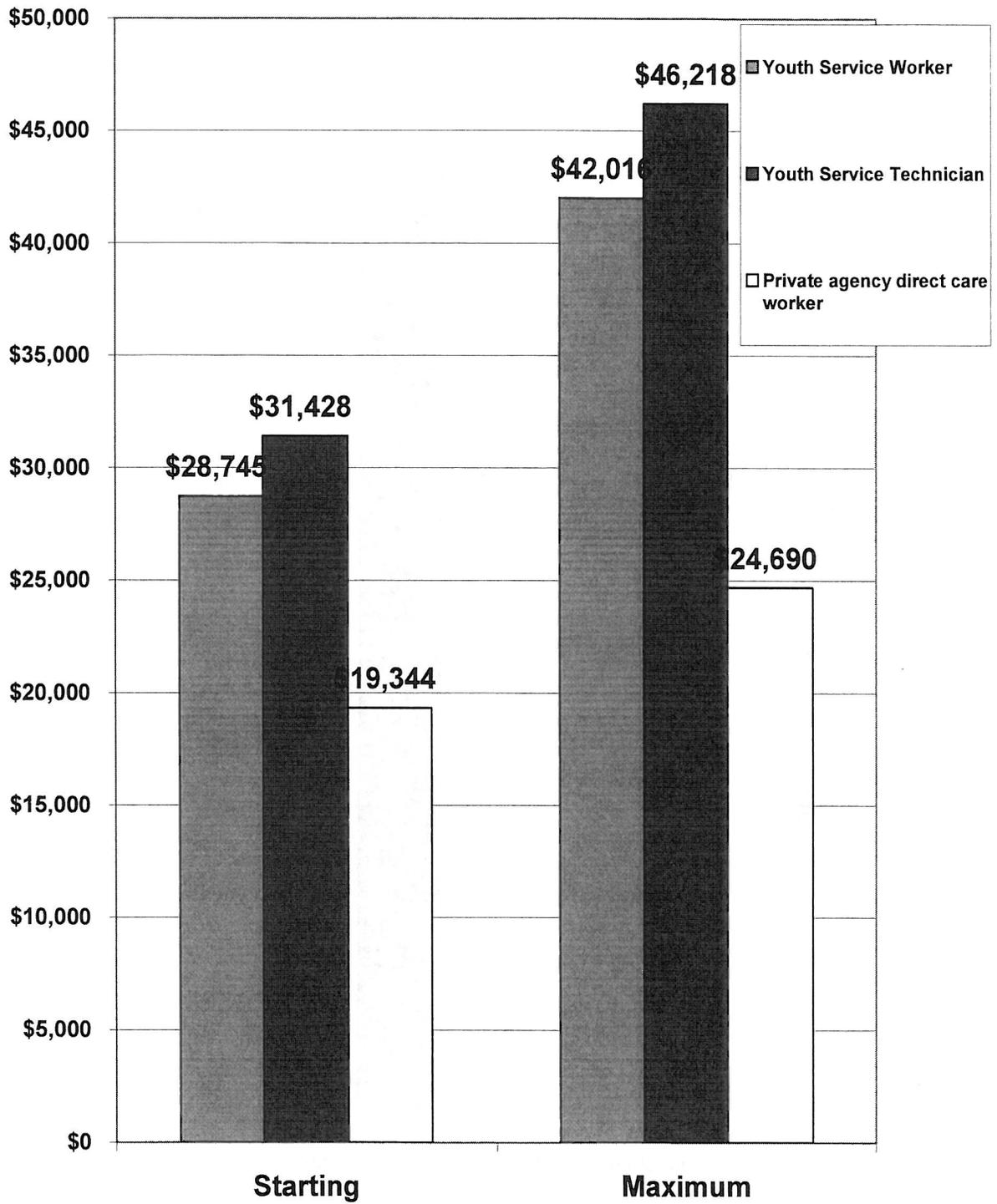
Fewer Changes In Caseworkers Increase the Chances of Permanency for Children



Per Diems for State and Private Out of Home Services



Youth Service Worker Salaries Private and Public



State Social Worker 3 and Private Agency Family Centered Staff Salaries

